

EXHIBIT 2

Bloomberg.com



Facebook, Courted By Yahoo, Won't Sell, Director Says (Update3)

By Brian Sullivan and Jonathan Thaw

Dec. 15 (Bloomberg) -- Facebook, the social-networking Web site courted by Yahoo! Inc., isn't for sale, board member Peter Thiel said.

``It's going to remain an independent company," Thiel said in an interview last week. ``The plan is to actually build it, maybe at some point take it public, but definitely not to sell it."

Facebook, having turned down a \$1 billion offer from Yahoo, is taking a different path than YouTube, which sold itself to Google Inc. for \$1.65 billion, and MySpace, now owned by News Corp. Thiel, one of Facebook's three board members, said the company is focused finding the best way to make money from its millions of members.

Started in 2004 by Harvard University student Mark Zuckerberg, Facebook is now one of the fastest growing sites on the Web. Thiel, 39, says the site's college-aged users make it worth \$8 billion or more, as much as Viacom Inc.'s MTV music video channel.

Facebook's visitors in the U.S. doubled to 11.6 million from a year earlier, according to Nielsen//NetRatings, a market researcher in New York. Users at its biggest competitor, MySpace, bought by News Corp. for \$580 million in 2005, more than doubled to 53.6 million, Nielsen said.

Possible IPO

Marketers see social networking sites such as Palo Alto, California-based Facebook and MySpace as a direct path to young Internet users. Spending on social networking Web sites in the U.S. may more than double to \$865 million in 2007 from \$350 million this year, EMarketer Inc., a New York-based market researcher, said in November.

News Corp. Chief Executive Officer Rupert Murdoch last month said MySpace may be worth \$6 billion, according to Aryeh Bourkoff, a UBS AG analyst.

``It's hypothetically possible for Facebook to remain independent and make a living from advertising," said Greg Sterling, an analyst at Sterling Market Intelligence in Oakland, California. ``The climate is such that people recognize social networks as a very important phenomenon."

It is also ``theoretically possible" for the company to go public, though that would require ``a pretty aggressive growth trajectory," Sterling said.

Shares of Yahoo advanced 3 cents to \$26.90 at 4 p.m. New York time in Nasdaq Stock Market composite trading, while Google fell \$1.82 to \$480.30.

'More Conservative'

Facebook lets users create profiles with photos and videos, set up links to friends, and join groups of people with similar interests. After initially being open only to students, Facebook in September opened its doors to everyone on the Web.

``In comparison to MySpace, they have always been much, much more conservative in terms of how they've expanded," said Debra Williamson, an analyst at EMarketer.

In August, Facebook agreed to let Microsoft Corp. sell graphical and text ads on the site.

Facebook stumbled in September by adding a feature that alerts users' friends when they make changes to their profile, drawing the ire of thousands of members. Facebook users can now opt out of the feature.

While Facebook plans to go it alone, other companies founded after the Internet bubble are selling out. Google, the most-used Internet search engine, bought video-sharing site YouTube in November. Yahoo in the last three months has bought Bix, a site that hosts online talent shows, and Jumpcut, which makes software for sharing and editing videos. Sony Corp. bought video site Grouper Networks Inc. for \$65 million in August.

``We are not necessarily focused on what the exit is going to be -- whether it's selling the company or an IPO or when that's going to be," Zuckerberg said in an interview. ``But we obviously think that there's a lot of potential to keep growing."

To contact the reporter on this story: Jonathan Thaw in San Francisco at jthaw@bloomberg.net.

Last Updated: December 15, 2006 16:26 EST



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